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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

In re:

RUSSELL WAYNE LESTER, an  
individual, dba Dixon Ridge Farms,

Debtor in Possession.

CASE NO.: 20-24123-E-11

Chapter 11

DCN: FWP-2, FWP-3, FWP-4, FWP-5, and  
FWP-6

Date: September 1, 2020

Time: 1:30 p.m.

Courtroom: 33 - Judge Ronald H. Sargis  
501 I Street, 6<sup>th</sup> Floor  
Sacramento, CA

**OMNIBUS NOTICE OF HEARING ON:**

**(FWP-2) DEBTOR IN POSSESSION'S EMERGENCY MOTION FOR AN ORDER (A)  
AUTHORIZING INTERIM AND FINAL USE OF CASH COLLATERAL; (B)  
GRANTING REPLACEMENT LIENS; AND (C) SCHEDULING FINAL HEARING  
PURSUANT TO BANKRUPTCY RULE 4001;**

**(FWP-3) DEBTOR IN POSSESSION'S EMERGENCY MOTION FOR AUTHORITY TO  
PAY PREPETITION WAGES, COMPENSATION AND EMPLOYEE BENEFITS, AND  
FOR RELATED RELIEF;**

**(FWP-4) DEBTOR IN POSSESSION'S EMERGENCY MOTION FOR ORDER (A)  
PROHIBITING THE PACIFIC GAS AND ELECTRIC COMPANY FROM ALTERING,  
REFUSING OR DISCONTINUING SERVICE, AND (B) DETERMINING ADEQUATE  
ASSURANCE OF PAYMENT FOR POST-PETITION UTILITY SERVICES UNDER 11  
U.S.C. § 366;**

**(FWP-5) DEBTOR IN POSSESSION'S EMERGENCY MOTION FOR ORDER (I)**

OMNIBUS NOTICE OF HEARING

**AUTHORIZING AND APPROVING CONTINUED USE OF EXISTING CASH  
MANAGEMENT SYSTEM, (II) AUTHORIZING USE OF PRE-PETITION BANK  
ACCOUNTS AND BUSINESS FORMS, AND (III) WAIVING THE REQUIREMENTS OF  
11 U.S.C. § 345(B); AND**

**(FWP-6) DEBTOR IN POSSESSION'S EMERGENCY MOTION FOR ORDER TO  
APPROVE THE TURNOVER OF FUNDS HELD BY RECEIVER SUBJECT TO A  
REASONABLE RESERVE FOR FUTURE FEE APPLICATIONS**

**TO ALL INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:**

**NOTICE IS HEREBY GIVEN** that Russell Wayne Lester, an individual, dba Dixon Ridge Farms, and the Debtor in Possession ("Debtor in Possession") in the above-referenced case, has filed the following motions ("First Day Motions") requesting the following relief:

**1. (FWP-2) Debtor in Possession's Emergency Motion for an Order (A) Authorizing Interim and Final Use of Cash Collateral; (B) Granting Replacement Liens; and (C) Scheduling Final Hearing Pursuant to Bankruptcy Rule 4001.** This motion requests entry of an order:

a. Authorizing the use of cash collateral of First Northern Bank ("FNB") Prudential Insurance Company of America ("Prudential") and any disputed producer liens asserted by any growers on the 2019 Grower List, attached to the Exhibit Document filed and served herewith as Exhibit A, that may exist (collectively, "Secured Creditors") on an interim basis through September 16, 2020, or such other date as the Court determines, for the necessary expenses for the operation of Debtor in Possession's business in the estimated amount of \$190,000.00 plus a 10% variance for emergencies during the pre-harvest period;

b. Granting Secured Creditors a replacement lien in the cash collateral of Debtor in Possession to the extent cash collateral is actually used to the same extent, validity, scope, and priority as the prepetition liens held by Secured Creditors (the "Proposed Replacement Lien");

c. Granting Secured Creditors a replacement lien in the Conservation Easement in the amount of the diminishment in their pre-petition cash collateral and to the same extent, validity, scope, and priority as the prepetition liens held by Secured Creditors;

d. Setting a hearing during the week ending September 18, 2020 (the "Final Hearing"), and a briefing schedule for approval of the final use of cash collateral through

1 November 30, 2020;

2 e. At the Final Hearing, approving the use of cash collateral of Secured Creditors on  
3 a final basis through November 30, 2020, in the amounts set forth in the Budget for actual and  
4 necessary costs and expenses that must be expended to preserve the assets of the estate; and

5 f. For such other relief as is just and appropriate in the circumstances of this case.

6 **2. (FWP-3) Debtor in Possession's Emergency Motion for Authority to Pay**  
7 **Prepetition Wages, Compensation and Employee Benefits, and for Related Relief.** This  
8 motion requests entry of an order:

9 a. Authorizing but not directing Debtor in Possession to pay and honor any and all  
10 pre-petition employee wages and other employee obligations in the ordinary course of business,  
11 including, without limitation, wages, salaries, compensation, sick leave and other benefits,  
12 reimbursable business expenses, bonuses, and any related taxes due thereon, including, without  
13 limitation, all federal, state, and local payroll taxes, deductions, and withholdings (collectively,  
14 "Employee Obligations") in amounts up to the limit of and as entitled to priority claim status  
15 under the provisions of section 507(a). The aggregate estimated pre-petition amount of Employee  
16 Obligations is approximately \$45,000 as part of the emergency September 2, 2020 payroll;<sup>1</sup>

17 b. Authorizing but not directing Debtor in Possession to continue honoring its  
18 practices, programs, and policies in effect as of the Petition Date with respect to all Employee  
19 Obligations on a post-petition basis;

20 c. Authorizing and directing the bank at which Debtor in Possession maintains an  
21 account from which Debtor in Possession's payroll obligations are disbursed and all other banks  
22 or lending institutions maintaining payroll and employee benefits accounts to honor and pay all  
23 prepetition and post-petition checks issued or to be issued, and fund transfers requested or to be  
24 requested, by Debtor in Possession in respect of the Employee Obligations; and

25 d. For such other relief as is just and appropriate in the circumstances of this case.

26 **3. (FWP-4) Debtor in Possession's Emergency Motion for Order (A) Prohibiting**

27 <sup>1</sup> The proposed payroll does not include any Insiders as that term is defined in Section 101(31) of  
28 the Bankruptcy Code. One employee is not an insider, but is engaged to one of Debtor in  
Possession's daughters.

1 **the Pacific Gas and Electric Company from Altering, Refusing or Discontinuing Service,**  
2 **and (B) Determining Adequate Assurance of Payment for Post-Petition Utility Services**  
3 **Under 11 U.S.C. § 366.** This motion requests entry of an order:

- 4 a. Prohibiting PG&E from altering, refusing or discontinuing service;
- 5 b. Determining on an interim basis that the Debtor in Possession's furnishing of a  
6 deposit to PG&E in the amount of \$50,000, which is equal to approximately two weeks average  
7 usage, constitutes adequate assurance of payment under section 366; and
- 8 c. For such further relief as the Court deems necessary.

9 **4. (FWP-5) Debtor in Possession's Emergency Motion for Order (I) Authorizing**  
10 **and Approving Continued Use of Existing Cash Management System, (II) Authorizing Use**  
11 **of Pre-Petition Bank Accounts and Business Forms, and (III) Waiving the Requirements of**  
12 **11 U.S.C. § 345(b).** This motion requests entry of an order:

- 13 a. Authorizing and approving the debtor in possession's continued use of his existing  
14 cash management system,
- 15 b. Authorizing the debtor in possession's continued use of pre-petition bank accounts  
16 and business forms, and
- 17 c. Authorizing the debtor in possession's deposit practices and waiving the  
18 requirements of Section 345(b) in connection therewith.

19 **5. (FWP-6) Debtor in Possession's Emergency Motion for Order to approve the**  
20 **Turnover of Funds Held by Receiver Subject to a Reasonable Reserve for Future Fee**  
21 **Applications.** This motion requests entry of an order:

- 22 a. Ordering the turnover to the debtor in possession of all pre-petition receiver's  
23 account funds currently held by Dennis Howell less a reasonable reserve for the receiver's fees  
24 costs and expense pending Court approval; and
- 25 b. For such further relief as the Court deems necessary.

26 **NOTICE IS FURTHER GIVEN** that all of the information contained in the above-  
27 referenced motions is not set forth in this notice. The Debtor in Possession shall file its moving  
28 documents in support of all the First Day Motions on Monday, August 31, 2020, prior to 10:00

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1 a.m. (the “First Day Motions”). Copies of the First Day Motions and all supporting papers are a  
2 part of the Court’s electronic record, which is the official record of the Court, and can be accessed  
3 either through the e-CalWebPACER information system (see <http://www.caeb.uscourts.gov/> --  
4 subscription required) or is available for inspection at computer terminals (printing is available),  
5 which are located at the Office of the Clerk, Suite 3-200, 501 I Street, Sacramento, California.  
6 Counsel for the debtor in possession will also post this notice, the motions and supporting  
7 documents on its web page, which may be accessed as follows: go to [www.ffwplaw.com](http://www.ffwplaw.com), then  
8 click the cases button (last button in the top right-hand corner of the home page), then click on the  
9 link to the following web address: <https://ffwplaw.sharefile.com/login.aspx>; then type the  
10 following in the Second box “cases@ffwplaw.com” (without quotes) and then type in the second  
11 password box “FFWPRlaw!Password1” (again without quotes). Then click on the “Log In”  
12 button; then click Dixon Ridge Farms, and then click on the document that you would like to  
13 review.

14 **NOTICE IS FURTHER GIVEN** that your rights may be affected. You should read  
15 these papers carefully and discuss them with your attorney if you have one in this bankruptcy  
16 case. If you do not have an attorney, you may wish to consult one.

17 **NOTICE IS FURTHER GIVEN** that the First Day Motions are filed pursuant to Local  
18 Rule of Practice 9014-1(f)(1) and the Court’s August 28, 2020 Order Authorizing Omnibus First  
19 Day Motions and Setting Initial Hearing For Omnibus Motion. (Docket No. 9). Any opposition  
20 to the granting of the relief sought in the First Day Motions may be presented at the hearing. If  
21 you do not want the Court to approve the First Day Motions, or if you want the Court to consider  
22 your views on the First Day Motions, you or your attorney must attend the hearing scheduled on  
23 September 1, 2020, at 1:30 p.m., to be held electronically at the United States Bankruptcy Court,  
24 501 I Street, Courtroom 33, Sacramento, California, 95814, before the Honorable Ronald H.  
25 Sargis, United States Bankruptcy Judge.

26 **PLEASE TAKE FURTHER NOTICE** that Effective immediately until further notice by  
27 the Court (See General Order 618), all court hearings will be held telephonically, unless  
28 otherwise ordered by the Chief Judge of the Bankruptcy Court. For specific information about

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1 the operations of the Bankruptcy Court during this time, please see Chief Judge Sargis' Notice of  
2 Restricted Courthouse Access and Required Telephonic Appearances for Counsel and Parties  
3 which provides:

4 **PLEASE TAKE FURTHER NOTICE that if you are a pro se debtor or creditor** (a  
5 debtor or creditor without a lawyer), you may appear in court telephonically by calling Court  
6 Call, a third-party service at 1-866-582-6878. The Court understands that pro se debtors may use  
7 this service without charge for now, but the Court urges you to check with Court Call. If you  
8 would like to file a document, please file it by mail. Check the Court's website for the mailing  
9 addresses of the Court's divisional offices. You may also file a document by bringing it to the  
10 court and leaving it in a drop box the Court has in its lobby. Court Security Officers will show  
11 you where the drop box is located. The Court asks that you do not put cash in the drop box. If  
12 you do leave cash in the drop box, the Court will not return any change due. Cashier's checks  
13 and money orders will be accepted. If you are an attorney, please use Court Call to telephonically  
14 appear in court hearings. Court Call's number is 1-866-582-6878. The Court understands that  
15 wait-times are longer than usual, so please give yourself plenty of time. Any future changes or  
16 updates will be posted on the Court's website and communicated as appropriate.

17 **NOTICE IS FURTHER GIVEN** that interested parties can determine whether the matter  
18 has been resolved without oral argument or whether the Court has issued a tentative ruling, and  
19 can view any pre-hearing dispositions by checking the court's website at [www.caeb.uscourts.gov](http://www.caeb.uscourts.gov)  
20 after 4:00 P.M. the day before the hearing. Parties appearing telephonically must view the pre-  
21 hearing dispositions prior to the hearing.

22 If you or your attorney do not take these steps, the Court may decide that you do not  
23 oppose the relief sought in the First Day Motions and may enter orders granting the relief  
24 requested.

25 Date: August 28, 2020

FELDERSTEIN FITZGERALD  
WILLOUGHBY PASCUZZI & RIOS LLP

27 By: /s/ Thomas A. Willoughby  
28 Thomas A. Willoughby  
Proposed Attorneys for Russell Wayne Lester

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